

Tasking Memorandum No. 98-178

Memorandum For Commanders, DCMDs

Subject: Electronic Data Interchange (EDI) Progress Payments and Public Vouchers (TASKING)

Date:

Suspense Date:

Target Audience: District Commanders, Contract Administration Office (CAO) Commanders

New Information:

In pursuance of Management Reform Memorandum # 2, DCMC has committed to the Deputy Secretary of Defense to achieve EDI for processing 70% of progress payment actions requested, by December 1998, and to increase EDI coverage to 90% of progress payment actions requested by September 1999. In addition, the Defense Contract Audit Agency (DCAA) is committed to working with DCMC toward expanding EDI submission of both progress payments and public vouchers.

The Commander, DCMC, and the Director, DCAA, have jointly signed a letter addressed to contractors who are submitting a substantial dollar volume of progress payment requests using manual methods. The letter is addressed to the chief operating official for contractor locations, based on Contractor and Government Entity (CAGE) code data, that are currently not submitting any EDI progress payment requests. It requests that these contractors become EDI trading partners in the use of progress payments and public vouchers. We are targeting major contractor segments based on dollar volume of progress payment requests.

A separate tasking focuses on increasing the rate of EDI utilization with contractors who are already EDI trading partners.

New Tasking:

Each Contract Administration Office Commander or designee (Deputy or Operations Chief) will, in coordination with the cognizant DCAA Field Audit Office Manager or designated supervisor, make an appointment to hand deliver the letters provided to the Chief Operating Officer. During the appointment, the DCMC and DCAA representatives will explain the benefits of EDI payment methods, encourage the contractor to investigate EDI payment processes, and will offer the cooperation of CAO personnel for the purpose of establishing EDI processes. The letters are to be delivered within 30 days of signature.

A brief summary of the contractor's response should be provided through the District point of contact to DCMC-OC within 30 days of meeting with the contractor's executive management. We are particularly interested in reasons why a contractor is reluctant to engage in EDI status.

For background information, CAO Commanders will be provided, by email, a spreadsheet file indicating the volume of progress payment invoices and progress payment dollars requested, by CAGE code, for the first half of FY 98. Additional background on EDI progress payments and commercial invoicing will be provided also.

Points of Contact for Further Information:

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DCMC-OC

EXECUTIVE SUMMARY

MEMORANDUM FOR Commander

FROM: DCMC-OC
Prepared by: T. Frank/DCMC-OC/767 -3431 /May 22, 1998

SUBJECT: Electronic Data Interchange (EDI) Progress Payments

PURPOSE: To issue DCMC – DCAA letter to contractors to encourage use of EDI invoicing methods.

DISCUSSION:

The attached letter will be sent to 130 contractor locations currently submitting manual progress payment requests only. The addressees have requested at least \$5M in progress payments in the first half of FY 98, or were subsidiaries of major Defense contractors. The letters, which will also be signed by the Director, DCAA, are addressed to the chief operating officers. The letters encourage use of EDI progress payments, public vouchers, and commercial invoices.

The accompanying Tasking Memorandum to this package instructs that the Contract Administration Office (CAO) commander, or the CAO deputy, will deliver the letter personally, and explain the benefits of EDI payment methods.

Implementing Guidance/Tools: This initiative encourages use of EDI progress payments, a DoD paperless initiative. CAO commanders are being provided, by email, data indicating the volume of progress payments.

Minimal resource impact. This initiative will help streamline the process.

RECOMMENDATION: Commander sign the DCMC – DCAA letter at Tab A.

COORDINATION: DCAA coord. w/ D. Treanor & C. Hornsby 5/22
DFAS completed 5/22 per D. Buttry
DCMC-AC attached GC attached

Approved by:  JILL E. PETTIBONE